

INCOMING TELEGRAM

Department of State

CSD/MELLEN  
ACTION COPY

PERMANENT RECORD COPY

OFFICIAL USE ONLY

36  
Action  
E

Control: 13993  
Rec'd: JUNE 20, 1961  
3:00 AM

Info FROM: DJAKARTA  
L TO: Secretary of State  
FE  
BFAG NO: 3372, JUNE 19, 6 PM  
BIGC  
ICA  
P  
USIA EMBTEL 3185.

NSC DEPT FOREIGN AFFAIRS OFFICIALS INQUIRING STATUS THEIR REQUEST  
INR P. L. 480 WHEAT FLOUR. STATE THEY HAVE IN TURN RECEIVED  
CIA SEVERAL URGENT REQUESTS FROM OTHER INDONESIAN GOVERNMENT  
NSA AGENCIES. RE STATUS.  
AGR  
COM  
FRB  
TRSY  
WHM  
RMR

COMMENT:

RELIABLE TRADE SOURCES REPORT SEVERE FLOUR SHORTAGE  
IMMINENT PROBABLY IN ONE MONTH. OTHER REPORTS THAT GOVERNMENT  
CONSIDERING ALLOCATION ADDITIONAL FOREIGN EXCHANGE ON EMERGENCY  
BASIS FOR COMMERCIAL PURCHASES, PROBABLY SMALL AMOUNT NOT  
EXCEEDING 10-15,000 TONS.

ALTHOUGH CURRENT INDO FOREIGN EXCHANGE POSITION NOT  
KNOWN, EMBASSY FEELS REASONABLY CERTAIN THAT POSITION  
TIGHT AND THAT ONLY TOKEN AMOUNTS WILL BE RELEASED  
FOR THIS PURPOSE.

REITERATE RECOMMENDATION ACCEPTANCE INDO COUNTER PROPOSALS  
REFTEL.

SGC

JONES

MESSAGE CENTER  
CONTROL  
JUN 20 1961  
TH 20 1961

Oct 2 11 56 AM '61  
FILED  
CLASSIFIED  
FBI

OFFICIAL USE ONLY

REPRODUCTION FROM THIS COPY  
PROHIBITED UNLESS "UNCLASSIFIED"

• This copy must be returned to RM/R central files with notation of action taken •

ACTION ASSIGNED TO. CSD	ACTION TAKEN Let's move to D. L. Latta
NAME OF OFFICER	DATE OF ACTION 8/20/61
OFFICE SYMBOL 9. L. H. H. H.	DIRECTIONS TO RM/R 12. 6

611.9841/6-1961

DECLASSIFIED

Authority NND 949570  
By GPO NARA Date 8/4/00

# OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT  
EXCHANGE TO State Dept.

OFFICIAL USE ONLY

Classification

1961 JUN 24 AM 8 59

13769

For DCT use only

Origin

SENT TO: Amembassy DJAKARTA

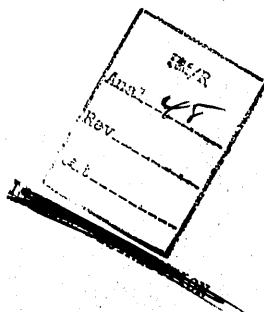
1947

Info:

Your 3185 3372

Agreeable increase Title I flour from 47,000 M.T. to 62,500 M.T. (70,000 short tons). GOI request decrease usual marketings carefully considered. Consensus Washington agencies no basis go below 105,000 M.T. flour which is equivalent to usual marketing figure for 1956 and 1959 Title I agreements; i.e. 150,000 M.T. wheat equivalent based on 70 percent extraction. Revised instructions will be forwarded on request.

EximBank states that administrative expenses associated Cooley loan cover such items for example as international travel, legal fees, documentary taxes.



*Rusk*  
*am*

RUSK

611.984/6-1961

Drafted by: GHazard (State)/SWPhillips (FAS)

Telegraphic transmission and classification approved by:

OPR:DCT:EKNewton Jsw  
Agr.: C.R.Donovan

Clearances: 6-23-61

J. Howard - FAS  
GHazard (CSD) - State  
EThrasher (SPA/E) - State

KBitterman (S/Food) ICA  
DBurgess - ICA  
ISO (in substance) SWP

Hudson (Ex-In Bank)  
In substance

REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS UNCLASSIFIED

Classification

DECLASSIFIED

Authority NND 949570  
By NARA Date 8/4/00

INCOMING TELEGRAM

Department of State

ACTION COPY

PERMANENT RECORD COPY

## OFFICIAL USE ONLY

40  
ActionControl: 20131  
Rec'd: JUNE 27, 1961  
11:11 PME  
Info

FROM: DJAKARTA

L

TO: Secretary of State

H

BFAC

BIGC

ICA

P

DEPTEL 1947

USIA

INR

CIA

NSA

AGR

COM

FRB

TRSY

WHM

RMR

SUBSTANCE REFTEL GIVEN FONOFF OFFICIALS. THEIR PRELIMINARY VIEWS ARE THAT 105,000 METRIC TON NORMAL MARKETING. ASSURANCE WHEAT FLOUR UNREALISTIC IN VIEW INDO'S CURRENT FOREIGN EXCHANGE SHORTAGE. PROSPECTS ARE THAT NO COMMITMENTS COULD BE MADE NOW TO PURCHASE ADDITIONAL FLOUR; IF FOREIGN EXCHANGE POSITION IMPROVES IN SECOND HALF THIS CALENDAR YEAR, MAY PURCHASE SOME MORE FLOUR BUT IN NO EVENT COULD ANTICIPATE REACHING 105,000 TONS. SAID THAT RICE WOULD HAVE PRIORITY OVER FLOUR IN COMMERCIAL PURCHASES UTILIZING ANY AVAILABLE FOREIGN EXCHANGE.

OFFICIALS INQUIRED IF ASSURANCE REQUIREMENT REPRESENTED US UNILATERAL DETERMINATION OR HAD US RECEIVED COMPLAINTS FROM OTHER COUNTRIES AND SPECIFICALLY AUSTRALIA. REITERATED THAT AUSTRALIA HAS INFORMED GOI THAT 1961 ASSURANCE HAS ALREADY BEEN MET.

RE USE 1956 AND 1959 AGREEMENTS AS BASIS DETERMINATION ASSURANCE, OFFICIALS RECALLED THAT 1959 ASSURANCE HAD BEEN FULLFILLED ONLY WITH GREATEST DIFFICULTIES AND OBSERVED THAT HISTORICAL PATTERN NOT APPLICABLE AT PRESENT AS FOREIGN EXCHANGE POSITION DETERRENT TO FURTHER IMPORTS.

FONOFF OFFICIALS CONSULTING WITH OTHER GOI AGENCIES AND WFL CONTACT EMB UPON RECEIPT THEIR COMMENTS. THEY ANTICIPATE THAT CONSENSUS WILL BE THAT US INSISTENCE UPON 105,000 TONS ASSURANCE WILL PRECLUDE REACHING AGREEMENT, EVEN IN FACE EXTREME SHORTAGE FLOUR AND UNAVAILABILITY TITLE I RICE.

COMMENT: TRADE

• This copy must be returned OFFICIAL USE ONLY with REPRODUCTION FROM THIS COPY IS UNAUTHORIZED UNLESS "UNCLASSIFIED"

ACTION	ACTION
ASSIGNED TO: F.O.R.C.S.D.	TAKEN: None necessary
NAME OF OFFICER: H. J. Hayes	DATE OF ACTION: 9/19/61
OFFICE SYMBOL	DIRECTIONS TO RM/R: C. L. L.

611.9841/6-2761

CLASSIFIED FILE

Nov

FILED

4 29 PM '61

DECLASSIFIED

Authority NND 949570  
By GPO NARA Date 8/4/00

OFFICIAL USE ONLY

-2- 3427, JUNE 27, 5 PM FROM DJAKARTA

COMMENT: TRADE SOURCES ALSO FEEL 105,000 TONS FOR ASSURANCE  
UNREALISTIC. HIGHEST ESTIMATE EMB HAS RECEIVED AS TO LIKELY  
ADDITIONAL COMMERCIAL IMPORTS IN 1961 IS 20,000 TONS.

JONES

HC

OFFICIAL USE ONLY

0 0 5 5 3

DECLASSIFIED  
Authority NND 949570  
By CD NARA Date 8/4/00

# OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT  
☐ CHARGE TO

OFFICIAL USE ONLY  
Classification

1961 JUN 30 PM 8 43

1 8 3 4 8

For DCT use only.

Origin  
Info:

SENT TO: Amembassy DJAKARTA

Your 3427

1976

611.98411  
6-27

Requests from other PL-480 countries in financial circumstances similar GOI to reduce usuals have been denied. If we were to agree reduce usuals for GOI it would cause extreme difficulties for US and other PL 480 countries. In circumstances we consider 105,000 tons as proper figure and it is not possible agree to reduction during the middle of calendar year 1961. Therefore US must insist on additional commercial purchases of 30,000 as condition of Title I agreement.

Rusk

RUSK

611.98411/6-2761

RM/R	<input checked="" type="checkbox"/>
Anal.	<input checked="" type="checkbox"/>
Rev.	<input type="checkbox"/>
Cat.	<input type="checkbox"/>

Drafted by: FAS:PO'Leary:mh:6/30/61  
Clearances: SPA - Mr. Thrasher  
CSD - Mr. Hazard

Telegraphic transmission and classification approved by:

CSD - Howard M. Gabbert

1 S/S-CR

JUN 30 1961

OFFICIAL USE ONLY  
Classification

REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS "UNCLASSIFIED"

FORM 2-59 DS-322

0 0 5 5 4

DECLASSIFIED  
Authority NND 949570  
By GD NARA Date 8/4/00